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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, CHAIRMAN
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

Arizona Corporation Commission

DOCKETED

JUN 17 2016

DOCKETED BY

IN THE MATTER OF APPLICATION OF
CLEAR SPRINGS UTILITY CO., INC., FOR
AN INCREASE IN WASTEWATER RATES

DOCKET NO. WS-01689A-16-0184

**NOTICE OF FILING AFFIDAVIT
OF CUSTOMER NOTICE**

Clear Springs Utility Company, Inc. ("Clear Springs" or "Company") hereby files
an affidavit confirming the Company mailed notice of the rate application filing to its
customers. *See Attachment 1.*

RESPECTFULLY SUBMITTED this 17th day of June, 2016.

MOYES SELLERS & HENDRICKS

Steve Wene

Original and thirteen (13) copies
of the foregoing filed this 17th day
of June, 2016 with:

1
2 Docket Control
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 Donnelly Herbert
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ATTACHMENT 1

AFFIDAVIT


STATE OF ARIZONA)
) ss.
County of Pima)

I, the undersigned, after being first duly sworn upon my oath, hereby affirm as follow:

- 1) I am over the age of eighteen.
- 2) I have personal knowledge of the statements set forth herein and I am competent to testify at a hearing or trial with respect to the same.
- 3) I certify that on behalf of Clear Springs Utility Company, Inc. ("Company"), on June 14, 2016, I mailed, or caused to be mailed, to each Company customer a copy of the customer notice, a copy of which is attached hereto.


Bonnie O'Connor

SUBSCRIBED AND SWORN TO before me, a Notary Public, this 15 day of June, 2016.


Notary Public

My Commission Expires:

5/27/2019



CUSTOMER NOTIFICATION

Clear Springs Utility Company, Inc. ("Company") has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since August 1, 2013. An increase in rates is necessary at this time due to the need to maintain and improve the system and pay operation and maintenance expenses. Based on the Company's unaudited Test Year results, the Company's Water Division realized an operating loss of \$45,262 and the Sewer Division realized an operating loss of \$9,929. Regarding the Water Division, the Company is requesting a revenue increase of \$120,000, or 64% of total revenues. Please see the attached pages 9 and 11 of the Company's water rate application for the current and proposed rates. Regarding the Sewer Division, the Company is requesting a revenue increase of \$40,000, or 87% of total revenues. Please see the attached pages 5 and 7 of the Company's sewer rate application for the current and proposed rates.

The Applications are available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street (for Tucson, call 800-535-0148 if located outside the Tucson local calling area or 520-628-6555 if located inside the Tucson local calling area) and at Southwestern Utility Management, Inc., 2015 N. Forbes Blvd., Suite 107, Tucson, AZ 85745, 800-315-5333. **Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.**

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 (if located inside the Phoenix local calling area). Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 (if located inside the Tucson local calling area).

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

Company Name:	Clear Springs Utility Co., Inc.	Test Year Ended:	31-Dec-15
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CURRENT AND PROPOSED RATES AND CHARGES

CUSTOMER CLASS: Residential____ Commercial____ Industrial____
 Irrigation____ All____ Other, specify as indicated__

MONTHLY USAGE CHARGE:

(All Classes)

5/8 x 3/4-Inch Meter
3/4-Inch Meter
1-Inch Meter
1 1/2-Inch Meter
2-Inch Meter
3-Inch Meter
4-Inch Meter
6-Inch Meter

CURRENT RATES

Rate		Gallons
\$ 12.75	for	-
19.13	for	-
31.88	for	-
63.75	for	-
102.00	for	-
204.00	for	-
318.75	for	-
637.50	for	-

PROPOSED RATES

Rate		Gallons
\$ 24.75	for	-
37.13	for	-
61.88	for	-
123.75	for	-
198.00	for	-
396.00	for	-
618.75	for	-
1,237.50	for	-

COMMODITY CHARGE:

(Per 1,000 Gallons)

CURRENT RATES

PROPOSED RATES

5/8-inch x 3/4-inch Meter (Residential)

First Tier
Second Tier
Third Tier

Rate	Gallons
\$ 1.50	0 to 3,000 gallons
3.60	3,001 to 8,000 gallons
5.15	Over 8,001 gallons

Rate	Gallons
\$ 3.40	0 to 3,000 gallons
4.40	3,001 to 8,000 gallons
5.40	Over 8,001 gallons

3/4-inch Meter (Residential)

First Tier
Second Tier
Third Tier

Rate	Gallons
\$ 1.50	0 to 3,000 gallons
3.60	3,001 to 8,000 gallons
5.15	Over 8,000 gallons

Rate	Gallons
\$ 3.40	0 to 3,000 gallons
4.40	3,001 to 8,000 gallons
5.40	Over 8,000 gallons

5/8-inch x 3/4-inch Meter (Commercial/Irrigation)

First Tier
Second Tier

Rate	Gallons
\$ 3.60	0 to 8,000 gallons
5.15	Over 8,000 gallons

Rate	Gallons
\$ 4.40	0 to 8,000 gallons
5.40	Over 8,000 gallons

3/4-inch Meter (Commercial/Irrigation)

First Tier
Second Tier

Rate	Gallons
\$ 3.60	0 to 8,000 gallons
5.15	Over 8,000 gallons

Rate	Gallons
\$ 4.40	0 to 8,000 gallons
5.40	Over 8,001 gallons

1-inch Meter (All Classes)

First Tier
Second Tier

Rate	Gallons
\$ 3.60	0 to 15,000 gallons
5.15	Over 15,000 gallons

Rate	Gallons
\$ 4.40	0 to 15,000 gallons
5.40	Over 15,000 gallons

1 1/2-inch Meter (All Classes)

First Tier
Second Tier

Rate	Gallons
\$ 3.60	0 to 30,000 gallons
5.15	Over 30,000 gallons

Rate	Gallons
\$ 4.40	0 to 30,000 gallons
5.40	Over 30,000 gallons

2-inch Meter (All Classes)

First Tier
Second Tier

Rate	Gallons
\$ 3.60	0 to 50,000 gallons
5.15	Over 50,000 gallons

Rate	Gallons
\$ 4.40	0 to 50,000 gallons
5.40	Over 50,000 gallons

3-inch Meter (All Classes)

First Tier
Second Tier

Rate	Gallons
\$ 3.60	0 to 110,000 gallons
5.15	Over 110,000 gallons

Rate	Gallons
\$ 4.40	0 to 110,000 gallons
5.40	Over 110,000 gallons

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

Company Name: Clear Springs Utility Co., Inc.	Test Year Ended: 12/31/2015
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CUSTOMER CLASS: Residential Commercial Industrial
 Irrigation All ____ Other, specify as indicated

CURRENT AND PROPOSED RATES AND CHARGES (CONTINUED)

COMMODITY CHARGE: (Per 1,000 Gallons)	CURRENT RATES		PROPOSED RATES	
	Rate	Gallons	Rate	Gallons
4-inch Meter (All Classes)				
First Tier	\$ 3.60	0 to 180,000 gallons	\$ 4.40	0 to 180,000 gallons
Second Tier	5.15	Over 180,000 gallons	5.40	Over 180,000 gallons
6-inch Meter (All Classes)				
First Tier	\$ 3.60	0 to 380,000 gallons	\$ 4.40	0 to 380,000 gallons
Second Tier	5.15	Over 380,000 gallons	5.40	Over 380,000 gallons
Bulk Water Sales - 3-Inch Meter				
All Usage Per 1,000 gallons	\$ 5.15	All	\$ 5.40	All

CURRENT AND PROPOSED SERVICE CHARGES

SERVICE LINE AND METER INSTALLATION CHARGES: (Refundable pursuant to A.A.C. R14-2-405)	CURRENT CHARGES			PROPOSED CHARGES		
	SERVICE LINE CHARGE	METER INSTALLATION CHARGE	TOTAL CHARGES	SERVICE LINE CHARGES	METER INSTALLATION CHARGE	TOTAL CHARGES
5/8" x 3/4" Meter	\$ 445.00	\$ 155.00	\$ 600.00	\$ 490.00	\$ 132.00	\$ 622.00
3/4" Meter	445.00	255.00	700.00	490.00	233.00	723.00
1" Meter	495.00	315.00	810.00	547.00	293.00	840.00
1-1/2" Meter	550.00	525.00	1,075.00	610.00	506.00	1,116.00
2" Meter - Turbine	830.00	1,045.00	1,875.00	927.00	1,031.00	1,958.00
2" Meter - Compound	830.00	1,890.00	2,720.00	927.00	1,884.00	2,811.00
3" Meter - Turbine	1,045.00	1,670.00	2,715.00	1,171.00	1,662.00	2,833.00
3" Meter - Compound	1,165.00	2,545.00	3,710.00	1,308.00	2,546.00	3,854.00
4" Meter - Turbine	1,490.00	2,670.00	4,160.00	1,661.00	2,647.00	4,308.00
4" Meter - Compound	1,670.00	3,645.00	5,315.00	1,866.00	3,632.00	5,498.00
6" Meter - Turbine	2,210.00	5,025.00	7,235.00	2,479.00	5,026.00	7,505.00
6" Meter - Compound	2,330.00	6,920.00	9,250.00	2,615.00	6,939.00	9,554.00
Over 6"	N/A	N/A	N/A	At Cost	At Cost	At Cost

SERVICE CHARGES:	CURRENT CHARGES	PROPOSED CHARGES
Establishment	\$ 35.00	\$ 40.00
Reconnection (Delinquent)	40.00	40.00
After Hours Charge	25.00	45.00
Meter Test (If Correct)	45.00	45.00
Meter Re-Read (If Correct)	30.00	30.00
NSF Check	25.00	25.00
Deposit	*	*
Deposit Interest	*	*
Re-Establishment (Within 12 Months)	**	**
Deferred Payment (Per Month)	1.50%	1.50%
Late Payment Fee (Per Month)	1.50%	1.50% or \$5.00

* Per Commission Rule A.A.C. R-14-2-403(B).

** Months off the system times the monthly minimum per Commission Rule A.A.C. R14-2-403(D).

CURRENT AND PROPOSED RATES AND CHARGES

		CURRENT RATES		PROPOSED RATES
Monthly Usage Charge:				
Residential		\$ 9.00		\$ 16.90
Commercial		\$ 9.36		\$ 18.00
Commodity Charge:				
(Per 1,000 gallons of water usage)				
Residential:				
6,001 to 20,000 Gallons		\$ 1.00		N/A
1 to 7,000 Gallons		N/A		\$ 0.85
Commercial (All Usage):		\$ 0.85		\$ 1.20
Measured Rate Customers				
Residential		N/A		N/A
Commercial		N/A		N/A
Industrial		N/A		N/A
Public Authorities		N/A		N/A
Other		N/A		N/A
Other Customers				
Interdepartmental and/or Associated Companies		N/A		N/A
Other Wastewater Systems		N/A		N/A
Sale of Effluent (per 1,000 gallons)		N/A		N/A
Sale of Sludge		N/A		N/A
Other		N/A		N/A

CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: ALL

SERVICE LATERAL INSTALLATION CHARGES (per service line)	CURRENT RATES	PROPOSED RATES
4-inch lateral	\$ 800.00	\$ 900.00
6-inch lateral	\$ 1,000.00	\$ 1,150.00
8-inch lateral	\$ 1,200.00	\$ 1,400.00
10-inch lateral	\$ 1,400.00	\$ 1,650.00
12-inch lateral	\$ 1,600.00	\$ 2,000.00

SERVICE CHARGES:

Establishment	\$ 30.00	\$ 30.00
After Hours Service Charge	25.00	30.00
NSF Check	25.00	25.00
Reconnection (Delinquent)	*	*
Deposit (Residential)	**	**
Deposit (Commercial)	***	***
Deposit Interest	****	****
Deferred Payment	1.50%	1.50%
Late Payment Penalty	1.50%	greater of 1.5% or \$5.00
Sewer Tap Charge (Non-Refundable)	Cost	Cost

* Six times monthly minimum.

** Per Commission A.A.C. Rule R14-2-603(B)(7)(a).

*** Per Commission A.A.C. Rule R14-2-603(B)(7)(b).

**** Per Commission A.A.C. Rule R14-2-603(B)(3).